

Fiscal Services Division

Legislative Services Agency

Fiscal Note

HF 749 – Veterans License Plate Fund (LSB 1881 HZ.1)

Analyst: Mary Beth Mellick (Phone: (515) 281-8223) (marybeth.mellick@legis.state.ia.us)

Fiscal Note Version – As Amended and Passed by the House

Description

House File 749, as Amended and Passed by the House, provides for the following changes for certain military and Emergency Medical Services special license plates:

- Requires the Department of Transportation (DOT) to establish new special license plates for recipients of the Distinguished Service Cross, Navy Cross, Air Force Cross, Soldier's Medal, Navy and Marine Corps Medal, and Airman's Medal. Emblems for the plates are to be designed by the Department in consultation with the Adjutant General.
- Directs the Treasurer of State to credit the special plate fees charged from the sale of the new military plates, and existing National Guard, Pearl Harbor Veteran, Purple Heart, Armed Forces Retired, Bronze Star, and Silver Star plates to the Veterans License Fee Fund. Currently, the fees collected from the existing plates are deposited into the Road Use Tax Fund.
- Directs the Treasurer of State to credit the special plate fees charged for the issuance of Emergency Medical Services plates to the Emergency Medical Services Fund administered by the Department of Public Health. Currently, the fees are deposited into the Road Use Tax Fund.
- The surviving spouse of a person who was issued an existing or new military plate may continue to apply for and use the plate subject to registration of the plate in the surviving spouse's name, and upon payment of an annual \$5 special plate fee and the annual vehicle registration fee. If the surviving spouse remarries, the special plates are to be exchanged for regular registration plates.
- If a person who is entitled to a Congressional Medal of Honor, Ex-Prisoner of War, or Legion of Merit special plate chooses to be issued a different plate associated with military service, the person's surviving spouse may continue to use that plate until remarriage.
- Makes corrective amendments to change the name of the Congressional Medal of Honor special plate to Medal of Honor.
- The provisions relating to the new special military license plates are to take effect July 1, 2008.

Background

- Under current law, the total fees collected from the registration of motor vehicles are deposited into the Road Use Tax Fund. County treasurers, however, retain 4.0% of the total amount collected from each annual or semiannual vehicle registration and each duplicate registration card or plate issued for deposit into the county general fund.
- The annual special plate fees for the existing military plates are in addition to the annual vehicle registration fee. Those fees are as follows:
 - Initial Issuance (letter-number designated plate): \$25
 - Initial Issuance (personalized plate): \$50 (\$25 special plate fee, \$25 personalized fee)
 - Annual Renewal (letter-number designated plate): \$5
 - Annual Renewal (personalized plate): \$5

- The special plate fee currently charged for the Emergency Medical Services plate is \$25 for initial issuance, and is in addition to the annual vehicle registration fee. No annual special plate fee is collected. The plate is not available as a personalized plate.

Military Plates

Assumptions

- There are an estimated 4,000 special National Guard, Pearl Harbor Veteran, Purple Heart, Armed Forces Retired, Bronze Star, and Silver Star plates currently issued.
- There are an estimated 175 living persons that have received a Distinguished Service Cross, Navy Cross, or Air Force Cross. The number of living persons that have received a Soldier's Medal, Navy and Marine Corps Medal, or Airman's Medal is unknown.
- The special plate fees charged for the new military plates will be the same fees currently charged for the existing plates.
- Of the \$50 fee collected from the initial issuance of the new and existing personalized plates, the \$25 special plate fee will be credited to the Veteran's License Fee Fund and the \$25 personalized fee will be deposited into the Road Use Tax Fund. All other special plate fees will be credited to the Veteran's License Fee Fund.
- The number of new and existing special plates that will be issued, renewed, or exchanged in subsequent years is unknown. Therefore, the amount that will be collected from the special plate fees is unknown.
- For estimating purposes, it is assumed that the amount collected from the existing plates in FY 2008 and beyond will be the same amount that was collected in CY 2006. In CY 2006, an estimated \$29,000 was collected from initial issuances and renewals, except for the initial issuance of personalized Pearl Harbor Veteran plates. The amount collected from those plates is unknown.
- For estimating purposes, it is assumed that a total of 25 new military plates will be issued annually, up to a total of 200. Of the 25 issued annually, 20 will be letter-designated and 5 will be personalized. The total amount collected annually from initial issuances and renewals is estimated to be between \$750 and \$1,000 beginning in FY 2008.
- One-time programming costs to the DOT are estimated to be \$53,000, and would be paid from the Motor Vehicle Division's base budget, of which 96.0% is Road Use Tax Fund moneys and 4.0% Primary Road Fund moneys.
- The cost to manufacture the new special license plates is \$4.00 per pair, which includes supplies, materials, and labor. Costs would be paid from the off-the-top Road Use Tax Fund allocation used for the manufacture of license plates.

Fiscal Impact

The number of plates that will be issued, renewed, or exchanged is unknown, and the number of surviving spouses who continue to apply for and use the plates is unknown. Based on the amount collected in CY 2006, and the number of new plates that are estimated to be renewed annually, the estimated fiscal impact is an increase of \$27,000 to the Veteran's License Fee Fund and a decrease of \$76,000 to the Road Use Tax Fund for FY 2008. For subsequent fiscal years, the estimated fiscal impact is an increase of \$27,000 to the Veteran's License Fee Fund and a decrease of \$26,000 to the Road Use Tax Fund.

The fiscal impact to the Department of Public Defense for costs associated with the Adjutant General consulting with the DOT on the special plate emblem designs is anticipated to be minimal.

Emergency Medical Services Plates

Assumptions

- There are an estimated 900 special Emergency Medical Services plates currently issued.
- In calendar year 2006, an estimated \$2,200 was collected from the initial issuance of Emergency Medical Services plates.
- The number of plates that will be issued, renewed, or exchanged in subsequent years is unknown. Therefore, the amount that will be collected from the special plate fees is unknown. For estimating purposes, it is assumed that the amount collected in FY 2008 and beyond will be the same amount that was collected in CY 2006.

Fiscal Impact

The number of Emergency Medical Services plates that will be issued, renewed, or exchanged is unknown. Based on the amount collected in CY 2006, the estimated fiscal impact is an annual increase of \$2,000 to the Emergency Medical Services Fund and an annual decrease of the same amount to the Road Use Tax Fund.

Total Fiscal Impact – Summary

The number of special plates that will be issued, renewed, or exchanged is unknown, and the number of surviving spouses who continue to apply for and use the special military plates is unknown. Based on the amount collected in CY 2006 from the existing military and Emergency Medical Services plates, and the number of new military plates that are estimated to be issued and renewed annually, the estimated fiscal impact is as follows:

FY 2008:

- An increase of \$27,000 to the Veteran's License Fee Fund.
- An increase of \$2,000 to the Emergency Medical Services Fund.
- A decrease of \$78,000 to the Road Use Tax Fund.

Subsequent Fiscal Years:

- An increase of \$27,000 to the Veteran's License Fee Fund.
- An increase of \$2,000 to the Emergency Medical Services Fund.
- A decrease of \$28,000 to the Road Use Tax Fund.

Source

Department of Transportation

/s/ Holly M. Lyons

March 26, 2007

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
